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**FISCAL IMPACT STATEMENT**

**LS 7127**

**BILL NUMBER:** SB 337

**NOTE PREPARED:** Jan 17, 2007

**BILL AMENDED:**

**SUBJECT:** Property tax informational statements.

**FIRST AUTHOR:** Sen. Riegsecker

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill provides that after 2007 the county treasurer is not required to mail a property tax informational statement with each tax bill, but must instead provide the information to the taxpayer or mortgagee upon request.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** Under current law, for taxes payable in CY 2008 and after, the Department of Local Government Finance (DLGF) is required to prescribe a form, subject to the approval of the State Board of Accounts, to be used by the county treasurer to provide a statement of the taxpayer's current and delinquent taxes and special assessments together with additional information (described in the *Explanation of Local Expenditures*) to a taxpayer or mortgagee. This proposal also requires the DLGF to include on the form a statement that the taxpayer or mortgagee can request the additional information from the county treasurer via telephone, regular mail, or electronic mail. Given its existing level of resources, it is expected the DLGF should be able to cover any additional administrative expenses in prescribing the form.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Under this proposal, for taxes payable in CY 2008 and after, the county treasurer is not required to mail the additional information (outlined below) to the taxpayer. Instead, as stated on the form, the treasurer will provide the information upon request. Requests may be made by mail, telephone or electronic mail.

County treasurers could initially see a reduction in administrative expenses since the additional information

no longer has to be included with the standard information (i.e., the taxpayer's current and delinquent taxes and special assessments). Postage costs, though, would probably not be reduced since the additional information would have been included with the standard information. On the other hand, after the standard information packets have been mailed, counties may experience an increase in postage costs associated with mailing the additional information when it is requested by taxpayers or mortgagees. The amount of additional postage and administrative costs would depend on how many taxpayers request the additional information and how often they do.

*Background Information:* Under current law for taxes payable in CY 2008 and after, the county treasurer is required to mail to each property taxpayer and mortgagee a property tax informational statement on a form prescribed by the DLGF (the treasurer may use electronic mail or other means to transmit the statement to the mortgagee). This statement is required to have the taxpayer's current and delinquent taxes and special assessments (standard information) and the following additional information:

1. A breakdown showing the total property tax and special assessment liability and the amount of the taxpayer's liability that will be distributed to each taxing unit in the county;
2. An itemized listing for each property tax levy including the tax rate, the entity levying the tax owed, and the dollar amount of the tax owed;
3. Information designed to show the manner in which the taxes and special assessments billed in the tax statement are to be used;
4. A comparison showing any change in the assessed valuation for the property as compared to the previous year;
5. A comparison showing any change in the property tax and special assessment liability for the property as compared to the previous year. This includes a breakdown of the taxpayer's liability to each taxing unit in which the property is located in the current and previous years, and the percentage change, if any, in the amount of the taxpayer's liability to each taxing unit in which the property is located from the previous year to the current year;
6. An explanation of the homestead credit and all property tax deductions, the procedure and deadline for filing for the homestead credit and each deduction; and procedures and forms for filing an appeal or petition of a current assessment;
7. A checklist that shows the homestead credit and all property tax deductions and whether each apply in the current statement to the property.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Local Government Finance.

**Local Agencies Affected:** County treasurers.

**Information Sources:**

**Fiscal Analyst:** David Lusan, 232-9592.